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1 **TITLE III—FAA MANAGEMENT**
2 **REFORM**

3 **SEC. 301. AIR TRAFFIC CONTROL SYSTEM DEFINED.**

4 Section 40102(a) is amended by adding at the end
5 the following:

6 “(42) ‘air traffic control system’ means the
7 combination of elements used to safely and effi-
8 ciently monitor, direct, control, and guide aircraft in
9 the United States and United States-assigned air-
10 space, including—

11 “(A) allocated electromagnetic spectrum
12 and physical, real, personal, and intellectual
13 property assets making up facilities, equipment,
14 and systems employed to detect, track, and
15 guide aircraft movement;

16 “(B) laws, regulations, orders, directives,
17 agreements, and licenses;

18 “(C) published procedures that explain re-
19 quired actions, activities, and techniques used
20 to ensure adequate aircraft separation; and

21 “(D) trained personnel with specific tech-
22 nical capabilities to satisfy the operational, en-
23 gineering, management, and planning require-
24 ments for air traffic control.”.

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1 **SEC. 302. AIR TRAFFIC CONTROL OVERSIGHT.**

2 (a) AVIATION MANAGEMENT ADVISORY COUNCIL.—

3 (1) MEMBERSHIP.—Section 106(p)(2) is
4 amended—

5 (A) by striking “and” at the end of sub-
6 paragraph (B); and

7 (B) by striking subparagraph (C) and in-
8 serting the following:

9 “(C) 10 members representing aviation in-
10 terests, appointed by—

11 “(i) in the case of initial appointments
12 to the Council, the President by and with
13 the advice and consent of the Senate; and

14 “(ii) in the case of subsequent ap-
15 pointments to the Council, the Secretary of
16 Transportation;

17 “(D) 1 member appointed, from among in-
18 dividuals who are the leaders of their respective
19 unions of air traffic control system employees,
20 by—

21 “(i) in the case of initial appointments
22 to the Council, the President by and with
23 the advice and consent of the Senate; and

24 “(ii) in the case of subsequent ap-
25 pointments to the Council, the Secretary of
26 Transportation; and

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1 “(E) 5 members appointed by the Sec-
2 retary after consultation with the Committee on
3 Transportation and Infrastructure of the House
4 of Representatives and the Committee on Com-
5 merce, Science, and Transportation of the Sen-
6 ate.”.

7 (2) QUALIFICATIONS.—Section 106(p)(3) is
8 amended—

9 (A) by inserting “(A) NO FEDERAL OFFI-
10 CER OR EMPLOYEE.—” before “No member”;

11 (B) by inserting “or (2)(E)” after “para-
12 graph (2)(C)”;

13 (C) by adding at the end the following:

14 “(B) AIR TRAFFIC SERVICES SUB-
15 COMMITTEE.—Members appointed under para-
16 graph (2)(E) shall—

17 “(i) have a fiduciary responsibility to
18 represent the public interest;

19 “(ii) be citizens of the United States;
20 and

21 “(iii) be appointed without regard to
22 political affiliation and solely on the basis
23 of their professional experience and exper-
24 tise in one or more of the following areas:

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1 “(I) Management of large service
2 organizations.

3 “(II) Customer service.

4 “(III) Management of large pro-
5 curements.

6 “(IV) Information and commu-
7 nications technology.

8 “(V) Organizational development.

9 “(VI) Labor relations.

10 At least one of such members should have a
11 background in managing large organizations
12 successfully. In the aggregate, such members
13 should collectively bring to bear expertise in all
14 of the areas described in subclauses (I) through
15 (VI).

16 “(C) PROHIBITIONS ON MEMBERS OF SUB-
17 COMMITTEE.—No member appointed under
18 paragraph (2)(E) may—

19 “(i) have a pecuniary interest in, or
20 own stock in or bonds of, an aviation or
21 aeronautical enterprise, except an interest
22 in a diversified mutual fund or an interest
23 that is exempt from the application of sec-
24 tion 208 of title 18;

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1 “(ii) engage in another business re-
2 lated to aviation or aeronautics; or

3 “(iii) be a member of any organization
4 that engages, as a substantial part of its
5 activities, in activities to influence aviation-
6 related legislation.”; and

7 (D) by indenting subparagraph (A) (as
8 designated by subparagraph (A) of this para-
9 graph) and aligning it with subparagraph (B)
10 of such section (as added by subparagraph (C)
11 of this paragraph).

12 (b) TERMS OF MEMBERS.—Section 106(p)(6) is
13 amended—

14 (1) by redesignating subparagraphs (B), (C),
15 and (D) as subparagraphs (J), (K), and (L), respec-
16 tively; and

17 (2) by striking subparagraph (A) and inserting
18 the following:

19 “(A) TERMS OF MEMBERS APPOINTED
20 UNDER PARAGRAPH (2)(C).—Members of the
21 Council appointed under paragraph (2)(C) shall
22 be appointed for a term of 3 years. Of the
23 members first appointed by the President under
24 paragraph (2)(C)—

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1 “(i) 3 shall be appointed for terms of
2 1 year;

3 “(ii) 4 shall be appointed for terms of
4 2 years; and

5 “(iii) 3 shall be appointed for terms of
6 3 years.

7 “(B) TERM FOR AIR TRAFFIC CONTROL
8 REPRESENTATIVE.—The member appointed
9 under paragraph (2)(D) shall be appointed for
10 a term of 3 years, except that the term of such
11 individual shall end whenever the individual no
12 longer meets the requirements of paragraph
13 (2)(D).

14 “(C) TERMS FOR AIR TRAFFIC SERVICES
15 SUBCOMMITTEE MEMBERS.—The member ap-
16 pointed under paragraph (2)(E) shall be ap-
17 pointed for a term of 5 years, except that of the
18 members first appointed under paragraph
19 (2)(E)—

20 “(i) 2 members shall be appointed for
21 a term of 3 years;

22 “(ii) 2 members shall be appointed for
23 a term of 4 years; and

24 “(iii) 1 member shall be appointed for
25 a term of 5 years.

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1 “(D) REAPPOINTMENT.—An individual
2 may not be appointed under paragraph (2)(E)
3 to more than 2 5-year terms.

4 “(E) VACANCY.—Any vacancy on the
5 Council shall be filled in the same manner as
6 the original appointment, except that any va-
7 cancy caused by a member appointed by the
8 President under paragraph (2)(C)(i) shall be
9 filled by the Secretary in accordance with para-
10 graph (2)(C)(ii). Any member appointed to fill
11 a vacancy occurring before the expiration of the
12 term for which the member’s predecessor was
13 appointed shall be appointed for the remainder
14 of that term.

15 “(F) CONTINUATION IN OFFICE.—A mem-
16 ber whose term expires shall continue to serve
17 until the date on which the member’s successor
18 takes office.

19 “(G) REMOVAL.—Any member of the
20 Council appointed under paragraph (2)(D) may
21 be removed for cause by the President or Sec-
22 retary whoever makes the appointment. Any
23 member of the Council appointed under para-
24 graph (2)(E) may be removed for cause by the
25 Secretary.

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1 “(H) CLAIMS AGAINST MEMBERS OF SUB-
2 COMMITTEE.—

3 “(i) IN GENERAL.—A member ap-
4 pointed under paragraph (2)(E) shall have
5 no personal liability under Federal law
6 with respect to any claim arising out of or
7 resulting from an act or omission by such
8 member within the scope of service as a
9 member of the Air Traffic Services Sub-
10 committee.

11 “(ii) EFFECT ON OTHER LAW.—This
12 subparagraph shall not be construed—

13 “(I) to affect any other immunity
14 or protection that may be available to
15 a member of the Subcommittee under
16 applicable law with respect to such
17 transactions;

18 “(II) to affect any other right or
19 remedy against the United States
20 under applicable law; or

21 “(III) to limit or alter in any way
22 the immunities that are available
23 under applicable law for Federal offi-
24 cers and employees.

25 “(I) ETHICAL CONSIDERATIONS.—

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1 “(i) FINANCIAL DISCLOSURE.—Dur-
2 ing the entire period that an individual ap-
3 pointed under paragraph (2)(E) is a mem-
4 ber of the Subcommittee, such individual
5 shall be treated as serving as an officer or
6 employee referred to in section 101(f) of
7 the Ethics in Government Act of 1978 for
8 purposes of title I of such Act; except that
9 section 101(d) of such Act shall apply
10 without regard to the number of days of
11 service in the position.

12 “(ii) RESTRICTIONS ON POST-EMPLOY-
13 MENT.—For purposes of section 207(c) of
14 title 18, an individual appointed under
15 paragraph (2)(E) shall be treated as an
16 employee referred to in section
17 207(c)(2)(A)(i) of such title during the en-
18 tire period the individual is a member of
19 the Subcommittee; except that subsections
20 (c)(2)(B) and (f) of section 207 of such
21 title shall not apply.”.

22 (c) AIR TRAFFIC SERVICES SUBCOMMITTEE.—Sec-
23 tion 106(p) is amended by adding at the end the following:

24 “(7) AIR TRAFFIC SERVICES SUBCOMMITTEE.—

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1 “(A) IN GENERAL.—The Management Ad-
2 visory Council shall have an air traffic services
3 subcommittee (in this paragraph referred to as
4 the ‘Subcommittee’) composed of the 5 mem-
5 bers appointed under paragraph (2)(E).

6 “(B) GENERAL RESPONSIBILITIES.—

7 “(i) OVERSIGHT.—The Subcommittee
8 shall oversee the administration, manage-
9 ment, conduct, direction, and supervision
10 of the air traffic control system.

11 “(ii) CONFIDENTIALITY.—The Sub-
12 committee shall ensure that appropriate
13 confidentiality is maintained in the exercise
14 of its duties.

15 “(C) SPECIFIC RESPONSIBILITIES.—The
16 Subcommittee shall have the following specific
17 responsibilities:

18 “(i) STRATEGIC PLANS.—To review,
19 approve, and monitor the strategic plan for
20 the air traffic control system, including the
21 establishment of—

22 “(I) a mission and objectives;

23 “(II) standards of performance
24 relative to such mission and objec-

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1 tives, including safety, efficiency, and
2 productivity; and

3 “(III) annual and long-range
4 strategic plans.

5 “(ii) MODERNIZATION AND IMPROVE-
6 MENT.—To review and approve—

7 “(I) methods to accelerate air
8 traffic control modernization and im-
9 provements in aviation safety related
10 to air traffic control; and

11 “(II) procurements of air traffic
12 control equipment in excess of
13 \$100,000,000.

14 “(iii) OPERATIONAL PLANS.—To re-
15 view the operational functions of the air
16 traffic control system, including—

17 “(I) plans for modernization of
18 the air traffic control system;

19 “(II) plans for increasing produc-
20 tivity or implementing cost-saving
21 measures; and

22 “(III) plans for training and edu-
23 cation.

24 “(iv) MANAGEMENT.—To—

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1 “(I) review and approve the Ad-
2 ministrator’s appointment of a Chief
3 Operating Officer under section
4 106(r);

5 “(II) review the Administrator’s
6 selection, evaluation, and compensa-
7 tion of senior executives of the Admin-
8 istration who have program manage-
9 ment responsibility over significant
10 functions of the air traffic control sys-
11 tem;

12 “(III) review and approve the
13 Administrator’s plans for any major
14 reorganization of the Administration
15 that would impact on the management
16 of the air traffic control system;

17 “(IV) review and approve the Ad-
18 ministrator’s cost accounting and fi-
19 nancial management structure and
20 technologies to help ensure efficient
21 and cost-effective air traffic control
22 operation; and

23 “(V) review the performance and
24 compensation of managers responsible
25 for major acquisition projects, includ-

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1 ing the ability of the managers to
2 meet schedule and budget targets.

3 “(v) BUDGET.—To—

4 “(I) review and approve the
5 budget request of the Administration
6 related to the air traffic control sys-
7 tem prepared by the Administrator;

8 “(II) submit such budget request
9 to the Secretary; and

10 “(III) ensure that the budget re-
11 quest supports the annual and long-
12 range strategic plans.

13 The Secretary shall submit the budget request
14 referred to in clause (v)(II) for any fiscal year
15 to the President who shall transmit such re-
16 quest, without revision, to the Committees on
17 Transportation and Infrastructure and Appro-
18 priations of the House of Representatives and
19 the Committees on Commerce, Science, and
20 Transportation and Appropriations of the Sen-
21 ate, together with the President’s annual budg-
22 et request for the Federal Aviation Administra-
23 tion for such fiscal year.

24 “(D) SUBCOMMITTEE PERSONNEL MAT-
25 TERS.—

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1 “(i) COMPENSATION OF MEMBERS.—

2 Each member of the Subcommittee shall
3 be compensated at a rate of \$25,000 per
4 year.

5 “(ii) COMPENSATION OF CHAIR-
6 PERSON.—Notwithstanding clause (i), the
7 chairperson of the Subcommittee shall be
8 compensated at a rate of \$40,000 per year.

9 “(iii) STAFF.—The chairperson of the
10 Subcommittee may appoint and terminate
11 any personnel that may be necessary to en-
12 able the Subcommittee to perform its du-
13 ties.

14 “(iv) PROCUREMENT OF TEMPORARY
15 AND INTERMITTENT SERVICES.—The
16 chairperson of the Subcommittee may pro-
17 cure temporary and intermittent services
18 under section 3109(b) of title 5.

19 “(E) ADMINISTRATIVE MATTERS.—

20 “(i) TERM OF CHAIR.—The members
21 of the Subcommittee shall elect for a 2-
22 year term a chairperson from among the
23 members of the Subcommittee.

24 “(ii) POWERS OF CHAIR.—Except as
25 otherwise provided by a majority vote of

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1 the Subcommittee, the powers of the chair-
2 person shall include—

3 “(I) establishing committees;

4 “(II) setting meeting places and
5 times;

6 “(III) establishing meeting agen-
7 das; and

8 “(IV) developing rules for the
9 conduct of business.

10 “(iii) MEETINGS.—The Subcommittee
11 shall meet at least quarterly and at such
12 other times as the chairperson determines
13 appropriate.

14 “(iv) QUORUM.—Three members of
15 the Subcommittee shall constitute a
16 quorum. A majority of members present
17 and voting shall be required for the Sub-
18 committee to take action.

19 “(F) REPORTS.—

20 “(i) ANNUAL.—The Subcommittee
21 shall each year report with respect to the
22 conduct of its responsibilities under this
23 title to the Administrator, the Council, the
24 Committee on Transportation and Infra-
25 structure of the House of Representatives,

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1 and the Committee on Commerce, Science,
2 and Transportation of the Senate.

3 “(ii) ADDITIONAL REPORT.—If a de-
4 termination by the Subcommittee under
5 subparagraph (B)(i) that the organization
6 and operation of the air traffic control sys-
7 tem are not allowing the Administration to
8 carry out its mission, the Subcommittee
9 shall report such determination to the Ad-
10 ministrator, the Council, the Committee on
11 Transportation and Infrastructure of the
12 House of Representatives, and the Com-
13 mittee on Commerce, Science, and Trans-
14 portation of the Senate.

15 “(iii) ACTION OF ADMINISTRATOR ON
16 REPORT.—Not later than 60 days after the
17 date of a report of the Subcommittee
18 under this subparagraph, the Adminis-
19 trator shall take action with respect to
20 such report. If the Administrator overturns
21 a recommendation of the Subcommittee,
22 the Administrator shall report such action
23 to the President, the Committee on Trans-
24 portation and Infrastructure of the House
25 of Representatives, and the Committee on

1 Commerce, Science, and Transportation of
2 the Senate.

3 “(iv) COMPTROLLER GENERAL’S RE-
4 PORT.—Not later than April 30, 2003, the
5 Comptroller General of the United States
6 shall transmit to the Committee on Trans-
7 portation and Infrastructure of the House
8 of Representatives and the Committee on
9 Commerce, Science, and Transportation of
10 the Senate a report on the success of the
11 Subcommittee in improving the perform-
12 ance of the air traffic control system.

13 “(8) AIR TRAFFIC CONTROL SYSTEM DE-
14 FINED.—In this section, the term ‘air traffic control
15 system’ has the meaning such term has under sec-
16 tion 40102(a).”.

17 (d) EFFECTIVE DATES.—

18 (1) IN GENERAL.—The amendments made by
19 this section shall take effect on the date of enact-
20 ment of this Act.

21 (2) INITIAL NOMINATIONS TO AIR TRAFFIC
22 SERVICES SUBCOMMITTEE.—The Secretary shall
23 make the initial appointments of the Air Traffic
24 Services Subcommittee of the Aviation Management

1 Advisory Council not later than 3 months after the
2 date of enactment of this Act.

3 (3) EFFECT ON ACTIONS PRIOR TO APPOINT-
4 MENT OF SUBCOMMITTEE.—Nothing in this section
5 shall be construed to invalidate the actions and au-
6 thority of the Federal Aviation Administration prior
7 to the appointment of the members of the Air Traf-
8 fic Services Subcommittee.

9 **SEC. 303. CHIEF OPERATING OFFICER.**

10 Section 106 is amended by adding at the end the fol-
11 lowing:

12 “(r) CHIEF OPERATING OFFICER.—

13 “(1) IN GENERAL.—

14 “(A) APPOINTMENT.—There shall be a
15 Chief Operating Officer for the air traffic con-
16 trol system to be appointed by the Adminis-
17 trator, with the approval of the Air Traffic
18 Services Subcommittee of the Aviation Manage-
19 ment Advisory Council. The Chief Operating
20 Officer shall report directly to the Adminis-
21 trator and shall be subject to the authority of
22 the Administrator.

23 “(B) QUALIFICATIONS.—The Chief Oper-
24 ating Officer shall have a demonstrated ability

1 in management and knowledge of or experience
2 in aviation.

3 “(C) TERM.—The Chief Operating Officer
4 shall be appointed for a term of 5 years.

5 “(D) REMOVAL.—The Chief Operating Of-
6 ficer shall serve at the pleasure of the Adminis-
7 trator, except that the Administrator shall
8 make every effort to ensure stability and con-
9 tinuity in the leadership of the air traffic con-
10 trol system.

11 “(E) VACANCY.—Any individual appointed
12 to fill a vacancy in the position of Chief Oper-
13 ating Officer occurring before the expiration of
14 the term for which the individual’s predecessor
15 was appointed shall be appointed for the re-
16 mainder of that term.

17 “(2) COMPENSATION.—

18 “(A) IN GENERAL.—The Chief Operating
19 Officer shall be paid at an annual rate of basic
20 pay equal to the annual rate of basic pay of the
21 Administrator. The Chief Operating Officer
22 shall be subject to the post-employment provi-
23 sions of section 207 of title 18 as if this posi-
24 tion were described in section 207(c)(2)(A)(i) of
25 that title.

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1 “(B) BONUS.—In addition to the annual
2 rate of basic pay authorized by subparagraph
3 (A), the Chief Operating Officer may receive a
4 bonus for any calendar year not to exceed 30
5 percent of the annual rate of basic pay, based
6 upon the Administrator’s evaluation of the
7 Chief Operating Officer’s performance in rela-
8 tion to the performance goals set forth in the
9 performance agreement described paragraph
10 (3).

11 “(3) ANNUAL PERFORMANCE AGREEMENT.—
12 The Administrator and the Chief Operating Officer,
13 in consultation with the Air Traffic Control Sub-
14 committee of the Aviation Management Advisory
15 Committee, shall enter into an annual performance
16 agreement that sets forth measurable organization
17 and individual goals for the Chief Operating Officer
18 in key operational areas. The agreement shall be
19 subject to review and renegotiation on an annual
20 basis.

21 “(4) ANNUAL PERFORMANCE REPORT.—The
22 Chief Operating Officer shall prepare and transmit
23 to the Secretary of Transportation and Congress an
24 annual management report containing such informa-
25 tion as may be prescribed by the Secretary.

1 “(5) RESPONSIBILITIES.—The Administrator
2 may delegate to the Chief Operating Officer, or any
3 other authority within the Administration respon-
4 sibilities, including the following:

5 “(A) STRATEGIC PLANS.—To develop a
6 strategic plan of the Administration for the air
7 traffic control system, including the establish-
8 ment of—

9 “(i) a mission and objectives;

10 “(ii) standards of performance relative
11 to such mission and objectives, including
12 safety, efficiency, and productivity; and

13 “(iii) annual and long-range strategic
14 plans.

15 “(iv) methods of the Administration
16 to accelerate air traffic control moderniza-
17 tion and improvements in aviation safety
18 related to air traffic control.

19 “(B) OPERATIONS.—To review the oper-
20 ational functions of the Administration,
21 including—

22 “(i) modernization of the air traffic
23 control system;

24 “(ii) increasing productivity or imple-
25 menting cost-saving measures; and

1 “(iii) training and education.

2 “(C) BUDGET.—To—

3 “(i) develop a budget request of the
4 Administration related to the air traffic
5 control system prepared by the Adminis-
6 trator;

7 “(ii) submit such budget request to
8 the Administrator and the Secretary of
9 Transportation; and

10 “(iii) ensure that the budget request
11 supports the annual and long-range stra-
12 tegic plans developed under subparagraph
13 (A) of this subsection.”.

14 **SEC. 304. PILOT PROGRAM TO PERMIT COST-SHARING OF**
15 **AIR TRAFFIC MODERNIZATION PROJECTS.**

16 (a) PURPOSE.—It is the purpose of this section to
17 improve aviation safety and enhance mobility of the Na-
18 tion’s air transportation system by encouraging non-Fed-
19 eral investment on a pilot program basis in critical air
20 traffic control facilities and equipment.

21 (b) IN GENERAL.—Subject to the requirements of
22 this section, the Secretary shall carry out a pilot program
23 under which the Secretary may make grants to project
24 sponsors for not more than 10 eligible projects.

1 (c) FEDERAL SHARE.—The Federal share of the cost
2 of an eligible project carried out under the program shall
3 not exceed 33 percent. The non-Federal share of the cost
4 of an eligible project shall be provided from non-Federal
5 sources, including revenues collected pursuant to section
6 40117 of title 49, United States Code.

7 (d) LIMITATION ON GRANT AMOUNTS.—No eligible
8 project may receive more than \$15,000,000 under the pro-
9 gram.

10 (e) FUNDING.—The Secretary shall use amounts ap-
11 propriated under section 48101(a) of title 49, United
12 States Code, for fiscal years 2001 through 2003 to carry
13 out the program.

14 (f) DEFINITIONS.—In this section, the following defi-
15 nitions apply:

16 (1) ELIGIBLE PROJECT.—The term “eligible
17 project” means a project relating to the Nation’s air
18 traffic control system that is certified or approved by
19 the Administrator and that promotes safety, effi-
20 ciency, or mobility. Such projects may include—

21 (A) airport-specific air traffic facilities and
22 equipment, including local area augmentation
23 systems, instrument landings systems, weather
24 and wind shear detection equipment, lighting
25 improvements, and control towers;

1 (B) automation tools to effect improve-
2 ments in airport capacity, including passive
3 final approach spacing tools and traffic man-
4 agement advisory equipment; and

5 (C) facilities and equipment that enhance
6 airspace control procedures, including consolida-
7 tion of terminal radar control facilities and
8 equipment, or assist in en route surveillance, in-
9 cluding oceanic and offshore flight tracking.

10 (2) PROJECT SPONSOR.—The term “project
11 sponsor” means a public-use airport or a joint ven-
12 ture between a public-use airport and 1 or more air
13 carriers.

14 (g) TRANSFERS OF EQUIPMENT.—Notwithstanding
15 any other provision of law, project sponsors may transfer,
16 without consideration, to the Federal Aviation Administra-
17 tion, facilities, equipment, and automation tools, the pur-
18 chase of which was assisted by a grant made under this
19 section. The Administration shall accept such facilities,
20 equipment, and automation tools, which shall thereafter
21 be operated and maintained by the Administration in ac-
22 cordance with criteria of the Administration.

23 (h) GUIDELINES.—Not later than 90 days after the
24 date of enactment of this Act, the Administrator shall

1 issue advisory guidelines on the implementation of the pro-
2 gram.

3 **SEC. 305. CLARIFICATION OF REGULATORY APPROVAL**
4 **PROCESS.**

5 Section 106(f)(3)(B)(i) is amended—

6 (1) by striking “\$100,000,000” each place it
7 appears and inserting “\$250,000,000”;

8 (2) by striking “Air Traffic Management Sys-
9 tem Performance Improvement Act of 1996” and in-
10 serting “Wendell H. Ford Aviation Investment and
11 Reform Act for the 21st Century”;

12 (3) in subclause (I)—

13 (A) by inserting “substantial and” before
14 “material”; and

15 (B) by inserting “or” after the semicolon
16 at the end; and

17 (4) by striking subclauses (II), (III), and (IV)
18 and inserting the following:

19 “(II) raise novel or significant legal or
20 policy issues arising out of legal mandates
21 that may substantially and materially af-
22 fect other transportation modes.”.

23 **SEC. 306. FAILURE TO MEET RULEMAKING DEADLINE.**

24 Section 106(f)(3)(A) is amended by adding at the end
25 the following: “On February 1 and August 1 of each year

1 the Administrator shall submit to the Committee on
2 Transportation and Infrastructure of the House of Rep-
3 resentatives and the Committee on Commerce, Science,
4 and Transportation of the Senate a letter listing each
5 deadline the Administrator missed under this subpara-
6 graph during the 6-month period ending on such date, in-
7 cluding an explanation for missing the deadline and a pro-
8 jected date on which the action that was subject to the
9 deadline will be taken.”.

10 **SEC. 307. FAA PERSONNEL AND ACQUISITION MANAGE-**
11 **MENT SYSTEMS.**

12 (a) PERSONNEL MANAGEMENT SYSTEM.—Section
13 40122 is amended by adding at the end the following:

14 “(g) PERSONNEL MANAGEMENT SYSTEM.—

15 “(1) IN GENERAL.—In consultation with the
16 employees of the Administration and such non-gov-
17 ernmental experts in personnel management systems
18 as he may employ, and notwithstanding the provi-
19 sions of title 5 and other Federal personnel laws, the
20 Administrator shall develop and implement, not later
21 than January 1, 1996, a personnel management sys-
22 tem for the Administration that addresses the
23 unique demands on the agency’s workforce. Such a
24 new system shall, at a minimum, provide for greater

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1 flexibility in the hiring, training, compensation, and
2 location of personnel.

3 “(2) APPLICABILITY OF TITLE 5.—The provi-
4 sions of title 5 shall not apply to the new personnel
5 management system developed and implemented
6 pursuant to paragraph (1), with the exception of—

7 “(A) section 2302(b), relating to whistle-
8 blower protection, including the provisions for
9 investigation and enforcement as provided in
10 chapter 12 of title 5;

11 “(B) sections 3308–3320, relating to vet-
12 erans’ preference;

13 “(C) chapter 71, relating to labor-manage-
14 ment relations;

15 “(D) section 7204, relating to antidiscrimi-
16 nation;

17 “(E) chapter 73, relating to suitability, se-
18 curity, and conduct;

19 “(F) chapter 81, relating to compensation
20 for work injury;

21 “(G) chapters 83–85, 87, and 89, relating
22 to retirement, unemployment compensation, and
23 insurance coverage; and

1 “(H) sections 1204, 1211–1218, 1221, and
2 7701–7703, relating to the Merit Systems Pro-
3 tection Board.

4 “(3) APPEALS TO MERIT SYSTEMS PROTECTION
5 BOARD.—Under the new personnel management sys-
6 tem developed and implemented under paragraph
7 (1), an employee of the Administration may submit
8 an appeal to the Merit Systems Protection Board
9 and may seek judicial review of any resulting final
10 orders or decisions of the Board from any action
11 that was appealable to the Board under any law,
12 rule, or regulation as of March 31, 1996.

13 “(4) EFFECTIVE DATE.—This subsection shall
14 take effect on April 1, 1996.”.

15 (b) ACQUISITION MANAGEMENT SYSTEM.—Section
16 40110 is amended by adding at the end the following:

17 “(d) ACQUISITION MANAGEMENT SYSTEM.—

18 “(1) IN GENERAL.—In consultation with such
19 non-governmental experts in acquisition manage-
20 ment systems as the Administrator may employ, and
21 notwithstanding provisions of Federal acquisition
22 law, the Administrator shall develop and implement,
23 not later than January 1, 1996, an acquisition man-
24 agement system for the Administration that address-
25 es the unique needs of the agency and, at a min-

1 imum, provides for more timely and cost-effective ac-
2 quisitions of equipment and materials.

3 “(2) APPLICABILITY OF FEDERAL ACQUISITION
4 LAW.—The following provisions of Federal acquisi-
5 tion law shall not apply to the new acquisition man-
6 agement system developed and implemented pursu-
7 ant to paragraph (1):

8 “(A) Title III of the Federal Property and
9 Administrative Services Act of 1949 (41 U.S.C.
10 252–266).

11 “(B) The Office of Federal Procurement
12 Policy Act (41 U.S.C. 401 et seq.).

13 “(C) The Federal Acquisition Streamlining
14 Act of 1994 (Public Law 103–355).

15 “(D) The Small Business Act (15 U.S.C.
16 631 et seq.), except that all reasonable opportu-
17 nities to be awarded contracts shall be provided
18 to small business concerns and small business
19 concerns owned and controlled by socially and
20 economically disadvantaged individuals.

21 “(E) The Competition in Contracting Act.

22 “(F) Subchapter V of chapter 35 of title
23 31, relating to the procurement protest system.

24 “(G) The Brooks Automatic Data Proc-
25 essing Act (40 U.S.C. 759).

1 “(H) The Federal Acquisition Regulation
2 and any laws not listed in subparagraphs (A)
3 through (G) providing authority to promulgate
4 regulations in the Federal Acquisition Regula-
5 tion.

6 “(3) CERTAIN PROVISIONS OF THE OFFICE OF
7 FEDERAL PROCUREMENT POLICY ACT.—Notwith-
8 standing paragraph (2)(B), section 27 of the Office
9 of Federal Procurement Policy Act (41 U.S.C. 423)
10 shall apply to the new acquisition management sys-
11 tem developed and implemented under paragraph (1)
12 with the following modifications:

13 “(A) Subsections (f) and (g) shall not
14 apply.

15 “(B) Within 90 days after the date of en-
16 actment of the Wendell H. Ford Aviation In-
17 vestment and Reform Act for the 21st Century,
18 the Administrator shall adopt definitions for the
19 acquisition management system that are con-
20 sistent with the purpose and intent of the Of-
21 fice of Federal Procurement Policy Act.

22 “(C) After the adoption of those defini-
23 tions, the criminal, civil, and administrative
24 remedies provided under the Office of Federal

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1 Procurement Policy Act apply to the acquisition
2 management system.

3 “(D) In the administration of the acquisi-
4 tion management system, the Administrator
5 may take adverse personnel action under sec-
6 tion 27(e)(3)(A)(iv) of the Office of Federal
7 Procurement Policy Act in accordance with the
8 procedures contained in the Administration’s
9 personnel management system.

10 “(4) EFFECTIVE DATE.—This subsection shall
11 take effect on April 1, 1996.”.

12 (c) CONFORMING AMENDMENTS.—

13 (1) SECTION 106.—Section 106(l)(1) is amend-
14 ed by striking “section 40122(a) of this title and
15 section 347 of Public Law 104–50” and inserting
16 “subsections (a) and (g) of section 40122”.

17 (2) SECTION 40121.—Section 40121(c)(2) is
18 amended by striking “section 348(b) of Public Law
19 104–50” and inserting “section 40110(d)(2) of this
20 title”.

21 (3) FEDERAL AVIATION REAUTHORIZATION ACT
22 OF 1996.—Section 274(b)(6)(A)(ii)(II) of the Federal
23 Aviation Reauthorization Act of 1996 (49 U.S.C.
24 40101 note) is amended by striking “sections 347
25 and 348 of Public Law 104–50” and inserting “sec-

1 tions 40110(d) and 40122(g) of title 49, United
2 States Code”.

3 (d) REPEAL.—Sections 347 and 348 of Public Law
4 104–50 (109 Stat. 460–461; 49 U.S.C. 106 note; 49
5 U.S.C. 40110 note) are repealed.

6 **SEC. 308. RIGHT TO CONTEST ADVERSE PERSONNEL AC-**
7 **TIONS.**

8 (a) MEDIATION.—Section 40122(a)(2) is amended by
9 adding at the end the following: “The 60-day period shall
10 not include any period during which Congress has ad-
11 journed sine die.”.

12 (b) RIGHT TO CONTEST ADVERSE PERSONNEL AC-
13 TIONS.—Section 40122 (as amended by section 307(a) of
14 this Act) is further amended by adding at the end the fol-
15 lowing:

16 “(h) RIGHT TO CONTEST ADVERSE PERSONNEL AC-
17 TIONS.—An employee of the Federal Aviation Administra-
18 tion who is the subject of a major adverse personnel action
19 may contest the action either through any contractual
20 grievance procedure that is applicable to the employee as
21 a member of the collective bargaining unit or through the
22 Administration’s internal process relating to review of
23 major adverse personnel actions of the Administration,
24 known as Guaranteed Fair Treatment, or under section
25 40122(g)(3).

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1 staff and resources of the Inspector General or con-
2 tract with one or more independent entities.

3 (2) ASSESSMENT OF ADEQUACY AND ACCURACY
4 OF FAA COST DATA AND ATTRIBUTIONS.—

5 (A) IN GENERAL.—The Inspector General
6 shall conduct an assessment to ensure that the
7 method for calculating the overall costs of the
8 Federal Aviation Administration and attrib-
9 uting such costs to specific users is appropriate,
10 reasonable, and understandable to the users.

11 (B) COMPONENTS.—In conducting the as-
12 sessment under this paragraph, the Inspector
13 General shall assess the following:

14 (i) The Administration's cost input
15 data, including the reliability of the Ad-
16 ministration's source documents and the
17 integrity and reliability of the Administra-
18 tion's data collection process.

19 (ii) The Administration's system for
20 tracking assets.

21 (iii) The Administration's bases for
22 establishing asset values and depreciation
23 rates.

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1 (iv) The Administration’s system of
2 internal controls for ensuring the consist-
3 ency and reliability of reported data.

4 (v) The Administration’s definition of
5 the services to which the Administration
6 ultimately attributes its costs.

7 (vi) The cost pools used by the Ad-
8 ministration and the rationale for and reli-
9 ability of the bases which the Administra-
10 tion proposes to use in allocating costs of
11 services to users.

12 (C) REQUIREMENTS FOR ASSESSMENT OF
13 COST POOLS.—In carrying out subparagraph
14 (B)(vi), the Inspector General shall—

15 (i) review costs that cannot reliably be
16 attributed to specific Administration serv-
17 ices or activities (called “common and fixed
18 costs” in the Administration Cost Alloca-
19 tion Study) and consider alternative meth-
20 ods for allocating such costs; and

21 (ii) perform appropriate tests to as-
22 sess relationships between costs in the var-
23 ious cost pools and activities and services
24 to which the costs are attributed by the
25 Administration.

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1 (3) COST EFFECTIVENESS.—

2 (A) IN GENERAL.—The Inspector General
3 shall assess the progress of the Administration
4 in cost and performance management, including
5 use of internal and external benchmarking in
6 improving the performance and productivity of
7 the Administration.

8 (B) ANNUAL REPORTS.—Not later than
9 December 31, 2000, and annually thereafter
10 until December 31, 2004, the Inspector General
11 shall transmit to Congress an updated report
12 containing the results of the assessment con-
13 ducted under this paragraph.

14 (C) INFORMATION TO BE INCLUDED IN
15 FAA FINANCIAL REPORT.—The Administrator
16 shall include in the annual financial report of
17 the Administration information on the perform-
18 ance of the Administration sufficient to permit
19 users and others to make an informed evalua-
20 tion of the progress of the Administration in in-
21 creasing productivity.

22 (b) FUNDING.—There are authorized to be appro-
23 priated such sums as may be necessary to carry out this
24 section.

1 **SEC. 310. ENVIRONMENTAL REVIEW OF AIRPORT IMPROVE-**
2 **MENT PROJECTS.**

3 (a) STUDY.—The Secretary shall conduct a study of
4 Federal environmental requirements related to the plan-
5 ning and approval of airport improvement projects.

6 (b) CONTENTS.—In conducting the study, the Sec-
7 retary, at a minimum, shall assess—

8 (1) the current level of coordination among
9 Federal and State agencies in conducting environ-
10 mental reviews in the planning and approval of air-
11 port improvement projects;

12 (2) the role of public involvement in the plan-
13 ning and approval of airport improvement projects;

14 (3) the staffing and other resources associated
15 with conducting such environmental reviews; and

16 (4) the time line for conducting such environ-
17 mental reviews.

18 (c) CONSULTATION.—The Secretary shall conduct
19 the study in consultation with the Administrator, the
20 heads of other appropriate Federal departments and agen-
21 cies, airport sponsors, the heads of State aviation agen-
22 cies, representatives of the design and construction indus-
23 try, representatives of employee organizations, and rep-
24 resentatives of public interest groups.

25 (d) REPORT.—Not later than 1 year after the date
26 of enactment of this Act, the Secretary shall transmit to

1 the Committee on Transportation and Infrastructure of
2 the House of Representatives and the Committee on Com-
3 merce, Science, and Transportation of the Senate a report
4 on the results of the study, together with recommenda-
5 tions for streamlining, if appropriate, the environmental
6 review process in the planning and approval of airport im-
7 provement projects.

8 **SEC. 311. COST ALLOCATION SYSTEM.**

9 (a) REPORT.—Not later than July 9, 2000, the Ad-
10 ministrator shall submit to the Committee on Commerce,
11 Science, and Transportation of the Senate and the Com-
12 mittee on Transportation and Infrastructure of the House
13 of Representatives a report on the cost allocation system
14 currently under development by the Federal Aviation Ad-
15 ministration.

16 (b) CONTENTS.—The report shall include a specific
17 date for completion and implementation of the cost alloca-
18 tion system throughout the Administration and shall also
19 include the timetable and plan for the implementation of
20 a cost management system.

21 **SEC. 312. REPORT ON MODERNIZATION OF OCEANIC ATC**
22 **SYSTEM.**

23 The Administrator shall report to Congress on plans
24 to modernize the oceanic air traffic control system, includ-
25 ing a budget for the program, a determination of the re-

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1 quirements for modernization, and, if necessary, a pro-
2 posal to fund the program.